

Affordable and Special Needs Housing (ASNH) Program Application Instructions

2021-2022

Submission Dates:

October 31, 2021

March 31, 2022

PLEASE DIRECT ANY QUESTIONS TO:

MICHAEL HAAS AT (804) 212-5934 (<u>michael.haas@dhcd.virginia.gov</u>) CHLOE ROTE AT (804) 840-1909 (chloe.rote@dhcd.virginia.gov)

Application Submission

Affordable and Special Needs Housing (ASNH) applications must be submitted through DHCD's <u>Centralized Application and Management System</u> (CAMS). Applicants should carefully follow all instructions for submission. Applications submitted with incorrect or missing information will be reviewed 'as is."

An applicant organization must have a registered CAMS organizational profile in order to apply for ASNH funding. Once an organization has an approved profile, individual users may be given access to CAMS by the organization's profile manager. Please note, that the application must be submitted by the primary partner in the project not the project Limited Liability Corporation (L.L.C.). The applicant is the entity responsible for long-term operations and compliance. Applications will not be accepted from the project legal entity or limited liability corporation. Please contact DHCD if you have any questions.

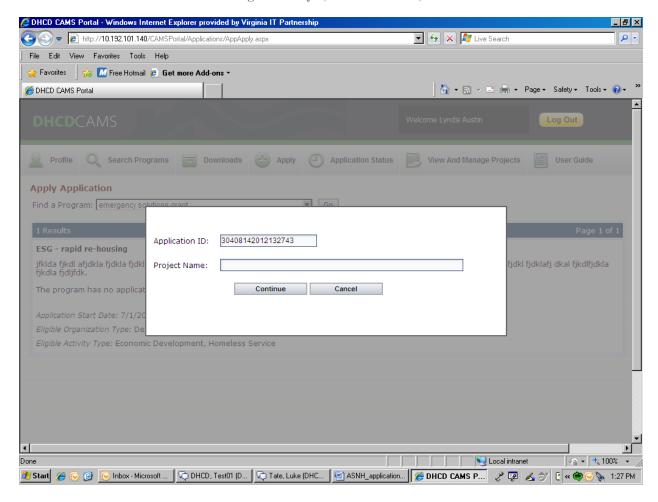
Applicants may submit applications at any time prior to the deadline. DHCD will only review applications submitted prior to the deadline.

CAMS will send the applicant an email notification when an application has been submitted and received.

Project Information

The applicant must login to CAMS and select the Affordable and Special Needs Housing (ASNH) program and apply. When the applicant clicks on <u>Apply</u> the system will ask for a <u>Project Name</u>. Please be careful to enter a project name that will help DHCD identify your project. The name of the apartment complex or the street where the project is located would be appropriate project names. Once the applicant hits <u>Continue</u> the project name cannot be edited. At this point CAMS will give the application a system-generated Application ID number.





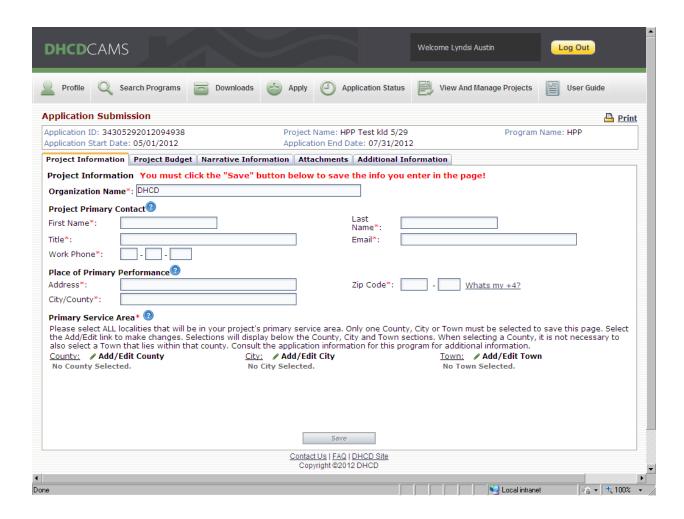
Select <u>Continue</u> and CAMS will take the applicant to the <u>Project Information</u> tab. On the project information tab the <u>Organization Name</u> will be pre-populated based on the organization's profile. Please note, any errors or needed updates to the organizational profile must be made by the individual who is set up as a profile manager for your organization.

On the project information tab the applicant must enter the <u>Project Primary Contact</u> information. This is the name of the individual DHCD should contact with questions about the project and their contact information.

<u>Place of Primary Performance</u> is where that project will be located. For example if the proposed project is rehabilitation of an existing building, enter the address of the building. If the project is new construction, include the street name. The <u>Primary Service Area</u> is the localities (one or more) that the project is intended to target.

Please note that at this point the page will display a 'Print' option at the top right-hand corner. The 'Print' function will produce a PDF that can be printed or saved. This will have any information that you have entered and saved in the application.





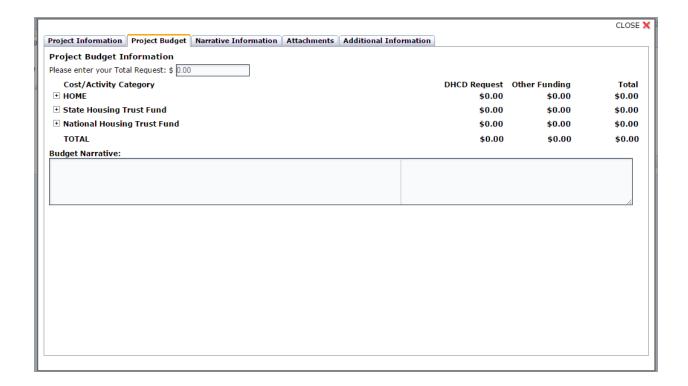
Project Budget

The next tab <u>Project Budget</u> requires some basic budget information. Please note for the ASNH program this information corresponds to the requested amount and project type. Please enter the amount of ASNH funds, by funding source (if more than one), in the <u>DHCD Request</u> box and the remaining development costs in the <u>Other Funding</u> text box. Also note that an ASNH project **must** be only one type. The project and the corresponding information on this page must be either new construction rental or **ONE** of the other project types. DHCD will **not** fund projects that are multiple project types. If the intent is for multiple project types then the applicant must submit multiple applications. The applicant will be required to submit a full development budget (underwriting template) as an attachment to the application.

The maximum funding award for each HOME, NHTF, and state HTF is \$700,000, or \$900,000 for projects providing permanent supportive housing units as awarded under



the aforementioned funding pools. The Permanent Supportive Housing small development set-aside funds, which is separate from the additional PSH funding under HOME, NHTF, and VHTF are limited to \$500,000. The maximum total funding amount for any project from all ASNH source is \$1.2 million; if requesting the National Housing Trust Fund, the maximum total DHCD investment is \$2 million. Projects incorporating NHTF with PSH units are eligible to receive up to \$2,200,000 in total funding. Please note that this maximum DHCD investment encompasses any commitment of DHCD program funding, in past or future funding cycles.



Narrative Information

The next tab <u>Narrative Information</u> requires the applicant to select either "rental" or "homebuyer." While most of the questions apply to both types of projects there are some questions specific to the project type. These questions will display in CAMS based on the project type selection. Please note a project is either rental or homebuyer and must be under common ownership and financing.

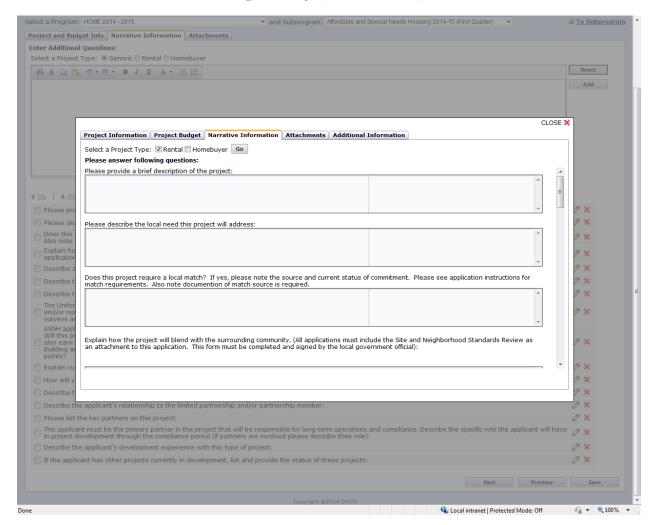




Once the project type has been selected the applicant hits <u>Go</u>. The applicant will then be advanced to the narrative questions. Please note there are size limits to the text boxes. DHCD suggests that applicants work in Word and copy and paste into the CAMS text boxes. Word allows an applicant to spell check and check the size of the text prior to copying and saving in the text box. The narrative questions are attached as an appendix to these instructions for the applicant's reference. Once the narrative information is complete applicants should print the questions by clicking the <u>Print</u> tab at the top of the page and review them for completeness and accuracy. The applicant is able to edit this information up until the time the application is submitted for review.

Please note that CAMS text box in this section will only accommodate text responses. Text response should exclude formatting (i.e., bold, bullets, etc...) outside of what is can be inserted within the CAMS narrative text box. Graphic, tables, charts will appear as text only. The applicant may use the CAMS attachment section to provide any additional information not accommodated in the narrative text boxes.





Attachments

There are a number of attachments required for the ASNH application. Some of these attachments require the use of a DHCD-provided template. The underwriting templates and the Uniform Relocation forms are examples where the applicant will be required to download templates, complete, and upload the completed templates. All attachments are listed on the attachment tab. The attachments with required templates have a link next to the name of the attachment and instructions to download.



Some attachments do not require DHCD templates. Site control documentation and match source documentation are examples of attachments where the applicant will not be required to download and complete a DHCD template. In these cases the applicant would simply upload an electronic version of the document under the appropriate attachment. One copy of the Architectural drawings, site plans, ERR Phase 1, and if intending to apply for HOME or NHTF a prepared Part 58 Checklist should be mailed to:

Chloe Rote, Housing Program Administrator DHCD 600 E. Main St., Suite 300 Richmond, VA 23219

-OR-

Arranged to be received electronically through a common file sharing service such as DropBox

Required ASNH application attachments include the following:

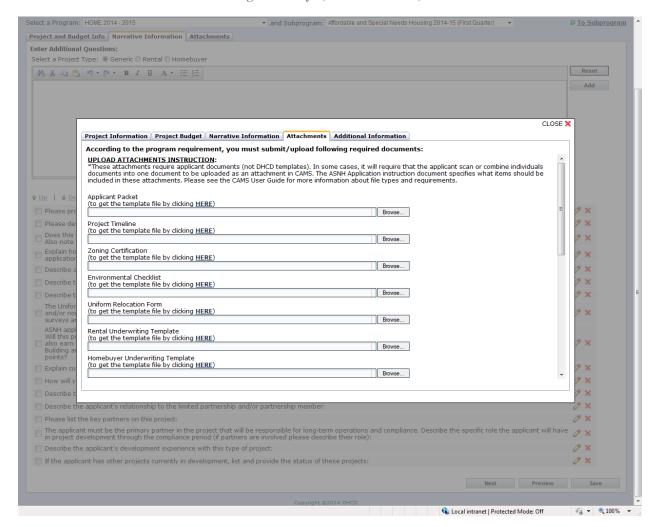
ASNH Application Attachments	
Name of Attachment	Requirement
Application Packet	DHCD template; required for all projects
Project Timeline	DHCD template; required for all projects
Market Study	Applicant documentation; required for all projects
Zoning Certification	DHCD template; required for all projects
Environmental Checklist	DHCD template; required for all projects
Environmental Phase 1	Upon load as an attachment or email to the address above; required of all projects
Part 58 Checklist	Template and guidance is available on the DHCD website, this is required of projects which propose to utilize federal funding sources.
Uniform Relocation Form	DHCD template; required for all projects
Rental Underwriting Template	DHCD template; required for all rental projects
Homebuyer Underwriting Template	DHCD template; required for all homebuyer projects



Affirmative Marketing Plan	DHCD template; required for all projects
Site and Neighborhood Standards Review	DHCD template; required for all projects; requires local government review
Proof of Revitalization Zone	Applicant documentation; require of all projects located in a area of concentrated minorities/poverty
Property Status Documentation	Applicant documentation to include map/directions; legal description; topography; utility documentation; and documentation that the project is a part of a larger revitalization project (if applicable) –required for all projects
Market Study	Applicant document; required for all projects
Resource Documentation	Applicant documentation to include funding commitments, match documentation; documentation of other HOME funds including contact information; documentation of rent assistance or service agreements; documentation of any other key partnership related to the project –required for all projects; and resume of the key principals that will be responsible for performing the development work
Sample Lease	Required for all rental projects
PSH Unit Documentation	Applicant documentation; required of all projects targeting units to PSH; agreement or MOUS with referring agency and/or service providers; rental assistance agreements
Optional Attachments	Applicant additional attachments –this may include supplemental materials. Attachments should be label to reflect the content.

In some cases CAMS will provide for only one attachment, such as <u>Resource Documentation</u>. This will require that the applicant save multiple sources of documentation as one document to upload.





Additional Information

The <u>Additional Information</u> tab allows the applicant to provide additional information not previously requested in the other sections of the application.

Audit Requirements

Please consult DHCD's <u>Audit Policy</u> for more information related to audit requirements for your organization. Please note that non-profit organizations (private or public) receiving state and federal funding from any source will trigger an audit requirement. These applicants must have an approved audit on file with DHCD or submitted for review if expired.

Organizations can manage their audit submission in CAMS on the Audits page under the Profile tab.



Please note that developers (non-profit or for-profit) requesting ASNH funds that do not receive other state or federal funding are exempt from audit requirements. These entities will have to provide project financials throughout any mandated affordability period. CHDO's are not exempt.

CHDO (Community Housing Development Organization) Status Documentation

The ASNH program gives scoring preference to CHDO, qualified nonprofit housing developers, projects.

DHCD must confirm at application that the CHDO meets CHDO organizational and mission qualifications. These include:

- Nonprofit status
- Primary mission provision of affordable housing
- Board composition meets HUD requirements
- Independence in decision making authority
- Community based organization
- Developer experiences and paid developer staff
- Financial soundness

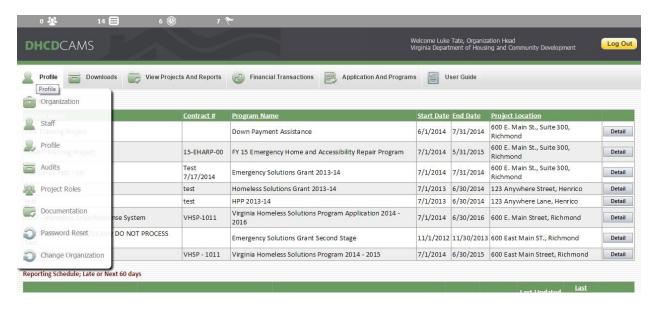
CHDOs with existing ASNH projects must confirm at any subsequent ASNH application that the CHDO continues to meet these organizational and mission requirements. Documentation of CHDO compliance must be uploaded and maintained in CAMS.

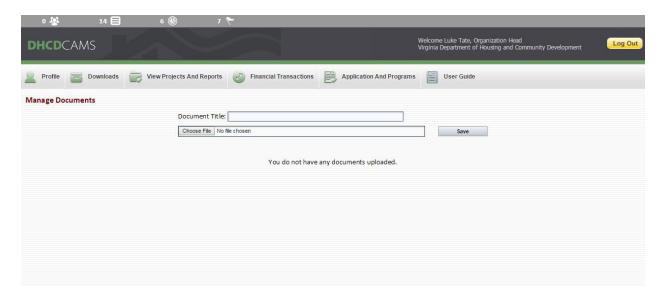
Please note, CHDOs receive funding preference for the ASNH program. Any organization that meets the CHDO requirements may apply for this status by completing a full application for CHDO status in CAMS. Please see <u>CHDO Survival Kit</u> and <u>CHDO Capacity Self-Assessment Tool</u> for more details.

CHDO requirements must be met at the time of fund commitment, for the duration of the development phase, and through the long-term compliance period for CHDO's in the role of project/property owner. Please see *CHDO Survival Kit* and *CHDO Capacity Self-Assessment Tool* for more details.

To apply for CHDO status please complete a CHDO application in CAMS indicating if your organization is seeking to apply for new membership as a CHDO, or is renewing an existing CHDO status.







Helpful Hints

- Google Chrome is the recommended browser for using CAMS.
- When copying and pasting into CAMS in Google Chrome from other programs or documents, please right-click on the applicable Narrative Information text box and choose "Paste as Plain Text" when pasting.
- All fields require a response. Enter N/A if the question does not apply.
- Use PRINT to create a PDF to review/share.
- Save often. Use Save this Tab before moving to another section.



Application Status

Applicants may allow multiple users to edit and review application materials. Please note that applicants are fully responsible for controlling security access to CAMS when the application is submitted to DHCD.

Once the applicant begins work on the application CAMS will save the application as Incomplete. The applicant may return repeatedly to CAMS to work on this application. Please be sure all work on the application is saved in CAMS. The application will remain as an incomplete application until the applicant chooses to submit the application. Once the application is submitted the status will change from Incomplete to Pending.

DHCD Review Process

Applicants with unresolved findings from previous DHCD monitoring, audit findings or other compliance issues will not be eligible for a funding commitment.

DHCD conducts panel reviews of all applications submitted by eligible applicants through CAMS.

Applications that score below 60 points out of a possible 100 will not be considered for funding. Scoring criteria are as follows:

- ➤ Need 40 points
- ➤ Feasibility 30 points
- ➤ Capacity 30 points

Applications selected through this review process receive notification that the project has met the preliminary qualification threshold. This notification allows a project 12 months from the date of the notification to meet program requirements, including meeting underwriting standards and environmental review. These requirements must be met in order to enter into an ASNH program agreement. ASNH program agreements expire two years from the date of execution. An executed ASNH program agreement is a prerequisite for a legal loan commitment. Loan commitment expires 12 months from execution. Program agreements and loan commitments will not be issued until all contingencies and program requirements are met.

Please note that applications that fail to meet the initial threshold for preliminary qualification may request feedback on the application and may reapply in any subsequent quarter. In order to reapply an application must be resubmitted in CAMS.

Funding Sources

The ASNH program has combined multiple funding sources for the 2019-2020 program year. Federal HOME and National Housing Trust Fund (NHTF) dollars are available for certain ASNH project types, along with state Housing Trust Fund Competitive Loan Pool



funds (VHTF) and state Permanent Supportive Housing (PHS) funds. Rental or Homebuyer projects are eligible for HOME funds and state Housing Trust Fund allocations. National Housing Trust Fund and PSH allocations will only be awarded for rental projects.

DHCD HOME Program and NHTF Regulatory Requirements

These funds have federal regulatory requirements that must be met in the case of any HOME or NHTF investment in a project. These regulatory requirements apply to all projects funded through this application process. These regulatory requirements include but are not limited to:

- Required affordability periods (HOME Projects will have either a 15 or 20 year federal compliance period with an additional 10 or 15 year state compliance period for a total of no less than 30 years. National Housing Trust Fund projects have a 30 year federal compliance period.
- Low, Very Low, and Extremely Low income targeting
- Property standards
- Periodic property inspections
- Annual rent and occupancy reporting
- · Affirmative marketing and fair housing
- Limits on HOME subsidies
- · Limits on rents
- 504 Accessibility requirements
- Lead Safe provisions
- Universal Relocation Act
- Davis Bacon (Labor Standards: Applicable to HOME projects ONLY)
- Section 3
- Environmental reviews

An environmental review is required before DHCD can release any HOME/NHTF Program funding and therefore it is essential that developers **do not proceed** with any activity (e.g., acquisition, rehabilitation, demolition, construction, etc.) prior to the release of funds lest the project or activity be rendered ineligible for HOME/NHTF funding.

It is anticipated that most acquisition and rehabilitation activities undertaken through the HOME/NHTF Program will not be subject to the full NEPA environmental assessment due to qualification for categorical exclusion. However, most activities are expected to be subject to the statutory checklist of non-NEPA statutes. Projects that are exempt or categorically excluded are still required to maintain an Environmental Review Record containing all relevant environmental documentation. Developers should be aware that the non-NEPA checklist will trigger a more detailed review if the property is:

- Located within designated coastal barriers;
- Listed on, or eligible for, the National Register of Historic Places;



- Located within a special flood hazard area,;
- Located near hazardous industrial operations (handling fuels or explosive/flammable chemicals);
- · Contaminated by toxic or radioactive materials; or,
- Located within airport clear and military accident potential zones

The HTF Environmental Provisions for new construction and rehabilitation under the Property Standards at 24 CFR § 93.301(f)(1) and (2) are similar to HUD's Environmental Regulations at 24 CFR Parts 50 and 58. HTF projects are subject to the same environmental concerns that HUD-assisted projects are subject to. The main difference is that the HTF Environmental Provisions are outcome based, and exclude consultation procedures that would be applicable if HTF project selection was a federal action. Parts 50 and 58 are process based, and include consultation procedures for several laws and authorities where there may be environmental impacts. See **CPD notice 16-14** for further details.

Applicants, project sponsors, owners, and property managers are responsible for assuring compliance HOME/NHTF and other federal requirements. For more details see the ASNH program guidelines and HOME and NHTF program specific guidance:



HOME Match Requirement

All projects requesting HOME funds and located in one of the following localities must include a local match equivalent to 25 percent of the HOME requested amount. Please note local match must be resources administered and controlled by the local government. Documentation much be attached to application submission.

HOME Entitlements and Consortiums – 25 percent Match Required	
Winchester Consortium – including:	Alexandria
Winchester	Chesapeake
Fredrick County	Danville
Page County	Hampton
Clarke County	Lynchburg
Warren County	Newport News
Shenandoah County	Norfolk
Charlottesville Consortium - including	Portsmouth
Charlottesville	Richmond
Albemarle County	Roanoke City
Fluvanna County	Virginia Beach
Greene County	Arlington County
Louisa County	Chesterfield County
Nelson County	Fairfax County -including
New River Consortium— including	Fairfax City
Radford	Falls Church
Giles County	Henrico County
Montgomery County	Prince William County –including
Pulaski County	Manassas
Blacksburg	Manassas Park
Christiansburg	Bristol City (member of Tennessee consortium)
Suffolk Consortium –including	
Suffolk	
Isle of Wight	
Franklin City	
Southampton	



Virginia Housing Trust Fund

Commonwealth of Virginia Housing Trust Fund funds are available for low-interest loans to meet the financing needs of housing projects directed toward key state housing policies. Projects demonstrating financial sustainability and leveraging will receive priority consideration. Projects will be selected through a competitive application process. The maximum amount for a Housing Trust Fund loan is \$700,000/\$900,000 (for projects providing permanent supportive housing units.

Eligible applicants for VHTF funds include local governments, local housing and redevelopment authorities, regional or statewide organizations providing housing/homeless assistance or services to Virginia citizens and hold companies created for owning and operating affordable housing. Eligible organizations may contract with other parties to assist in providing the housing or other resources required to satisfy the condition of the grant or loan product.

The affordability period for VHTF rental projects is 30 years. The affordability period for VHTF homeownership projects is 5 years.

Narrative Information Questions

The following will require narrative responses in the CAMS application.

- 1. Please note that CHDOs (Community Housing Development Organizations) receive scoring preference for ASNH funding. Does this applicant have current CHDO status? If so, please confirm that the most up-to-date CHDO qualification documents have been submitted in CAMS in the CHDO Certification Application?
 - If the applicant does not have current CHDO status with DHCD, does this applicant wish to claim status as a CHDO? If so, confirm that a CHDO applications has been submitted under the CHDO Certification application, or is in the process of submission?
- 2. Please provide a brief description of the project:
- 3. Please describe the local need this project will address, be specific, using information collected through market studies, beneficiary interviews, provider surveys (local housing authority, lenders) and other resources. Cite references in the attachments where appropriate:
- 4. Does this project require a local match (HOME funds only)? If yes, please note the source and current status of commitment. Please see application instructions for match requirements. Also note documentation of match source is required.
- 5. Describe the community engagement/citizen participation for this project. How was the community involved? If this is rehabilitation of an existing project, how



were residents notified and included in the process? If this is a new project, how was the community made aware of the proposed development and how was the community involved in the planning process?

- 6. Explain how the project will blend with the surrounding community and deconcentrate poverty and minority populations. All applications must include the Site and Neighborhood Standards Review as an attachment to this application. For projects that are located in an area of concentrated poverty or minorities, please explain how this is an area of revitalization (documentation must be included as an attachment to this application).
- 7. Will this project have project-based services (e.g., service coordinator, financial wellness program, etc.)? If so, please describe and include any documentation of any related agreements as an attachment to this application.
- 8. Describe any community amenities this project will have in close proximity (e.g., transportation, health clinic, job center, etc...).
- 9. To what degree will this project have access to broadband services?
- 10. All rental project must meet minimum accessibility (Section 504) requirements. Will this project exceed these minimum requirements? Requirement: Physically Impaired 5% (minimum of 1) and Sensory Impaired 2% (minimum of 1) of units. For homebuyer projects, please describe any accessibility features. Please include the total number of units in this project, the total number for each accessibility type, and the number of universal design units.
- 11. Will this project provide any permanent supportive housing (PSH) units for chronically homeless, serious mental illness and/or intellectual/developmental disabilities? If so, describe (type of population, need, number of units, and source of rent subsidy). Please note, agreements with service providers and/or a referral entity are required documentation.
- 12. If this project provides other PSH or targeted units to other special need population, please describe.
- 13. Describe the current condition of the property:
- 14. Explain current status of roads and infrastructure (including utilities):
- 15. To what extent will the property have access to broadband?
- 16. Describe the improvements to be made to the property:
- 17. The Uniform Relocation Act (URA) applies to all projects where development activities will result in permanent or temporary dislocation of households, businesses, farms, and/or nonprofits (URA form is a required attachment for all applications). Will this project's development activities result in any dislocations?

Please note that notices and surveys are required prior to the ASNH application for all dislocations.

- 18. Will this project have green building features and/or three party certification of meeting green standards? If so, please describe.
- 19. How will you assure this project will be completed in a timely manner? Discuss any barriers or challenges and detail what steps have been taken to ensure the timeline is appropriate.
- 20. What is the status of financing commitments and how will ASNH funds help to close a gap in financing? All existing commitments and any pending applications must be documented in the attachments.
- 21. Describe the applicant's relationship to the limited partnership and/or partnership member. Please outline the project structure:
- 22. Please list the key partners on this project (Specify the owner, developer, and sponsor (if applicable):
- 23. The applicant must be the primary partner in the project that will be responsible for long-term operations and compliance. Describe the specific role the applicant will have in project development through the compliance period (if partners are involved please describe their role):
- 24. Describe the applicant's development experience with this type of project:
- 25. If the applicant has other projects currently in development, list and provide the status of these projects:
- 26. Please list any subsidies or assistance which will be available for the project, include housing choice or project-based vouchers, down payment assistance or similar programs intended to keep units affordable for extremely low/very low/low income residents.

PROJECT TYPE SPECIFIC QUESTIONS:

RENTAL:

- 27. Describe the rental management team's experience managing similar projects:
- 28. The ASNH funds (HOME/VHTF/NHTF) are provided as a permanent must-pay interest loan for all rental projects (three percent interest-only deferred principal loan over the full affordability period). If the requirements for this project are different please specify below. Project assistance requirements varying from the standard could impact overall scoring.



- 29. (HIEE Funds Only) Please describe the steps to be taken in order to meet the HIEE requirements. Attach documents as it relates to steps to be taken to meet HIEE requirements:
- 30. (HIEE Funds Only) Referencing the attached Rental Underwriting Template, please explain your methodology for your HIEE request:

HOMEBUYER:

- 31. For homebuyer projects, how will you assure that completed units will have ratified contracts within nine months of certification of occupancy (CO)?
- 32. If homebuyer development, what is the local median sales price for this type of housing and what is the overall housing market for the types of homes targeted for construction? Why is this price point and location suitable for this project?
- 33. If homebuyer development, what incomes will the project target?
- 34. If homebuyer development, explain how the ASNH funds will be used to make this housing more affordable to the homebuyer?
- 35. If homebuyer development, will down payment assistance be used in the units? If yes, what is the source of the assistance?
- 36. If homebuyer development, is there an existing pipelines of homebuyers? If yes, please describe.
- 37. If homebuyer, what is the source of the first mortgage?
- 38. (HIEE Funds Only) Please describe the steps taken in order to meet the HIEE requirements. Attach documentation as necessary outlining steps to be taken:
- 39. (HIEE Funds Only) Provide detailed information as it pertains to the organizations experience in providing housing with increased energy efficiency:
- 40. (HIEE Funds Only) Referencing the Homebuyer Underwriting Template, please explain your methodology for your HIEE request? Ex. 10% of Total Construction Costs:

